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SUMMARY RECORD OF THE 14th MEETING

Chairman: Mr. DINU (Romania)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

CONTENTS

AGENDA ITEM 103: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS*

AGENDA ITEM 104: PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993*

AGENDA ITEM 105: PROGRAMME PLANNING*

* Items considered together.

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The meeting was called to order at 3.25 p.m.

AGENDA ITEM 103: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (A/46/545 and A/46/633; A/C.5/46/CRP.1; A/C.5/47/16)

AGENDA ITEM 104: PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993 (A/C.5/47/2 and Corr.1 and A/C.5/47/7 and Add.1)

AGENDA ITEM 105: PROGRAMME PLANNING (A/47/6, A/47/16 (Parts I and II and Part II/Add.1), A/47/32, A/47/116, A/47/159 and Add.1, A/47/358, A/47/407 and A/47/408)

1. Mr. SPAANS (Netherlands), Chairman of the Committee for Programme and Coordination (CPC), introducing the report of the Committee on its thirty-second session (A/47/16, Parts I and II), said that at the recently concluded session delegations had focused on the programmatic aspects of the proposals before them. Their businesslike and constructive approach had allowed for a clear delineation of political positions and a genuine political debate had led to fairly unambiguous conclusions and recommendations. The session had, however, been under extreme and unnecessary time pressure because of serious problems with documentation.

2. CPC had met in May 1992, and again in September, for a total of five weeks, instead of the six weeks planned. The Secretary-General had accepted an invitation to present his views to CPC on the direction which he would like the Organization to take. The recommendations of the first part of the session had been endorsed by the Economic and Social Council. CPC had hoped that the Council would give more active consideration to its recommendations, since, at the Council's request (Economic and Social Council resolution 1991/67), CPC had reviewed its programme of work, its reporting and the timing and duration of its sessions. The Council had, however, failed to provide answers to a number of specific questions regarding the relationship between itself and CPC and the intergovernmental review of the medium-term plan.

3. The problem of the timely issuance of documentation had plagued CPC for a number of years. Following informal consultations, it had taken the unprecedented step of delaying the first part of its session by a week because documentation was to be late. During the second part of the session, CPC had been obliged to drop the consideration of two sections of the medium-term plan because of the lateness or absence of documents. It could not continue to function in that way. Since all the documents had eventually been issued, it was clearly not a matter of Secretariat resources but rather of the planning of documents preparation and processing, which needed to be seriously reviewed.

4. At the thirty-second session, CPC had, for the first time, reviewed the current medium-term plan. Its conclusions and recommendations would be discussed during the general debate on programme planning. In resolution 45/253, the General Assembly had called for greater conciseness in the plan.

(Mr. Spaans, Netherlands)

CPC recommended that the plan's format, the manageability of the drafting and revision process, the question of documentation, and the almost complete absence of the subsidiary intergovernmental machinery in the review process, should be thoroughly reviewed, in a coherent manner, in order to allow the plan to serve its original purpose as a policy directive for the work of the Organization. Although Member States and the Secretariat spent considerable amounts of time and energy on the plan, it was becoming less and less the policy document it was intended to be and more and more an instrument for protecting the domains of programme managers. The plan should be a main policy document for the Organization, but it seemed gradually to be becoming irrelevant.

5. In considering the proposed programme budget outline for the biennium 1994-1995, CPC had been required to look at four aspects of the proposal: the estimate of resources, the priorities, growth and the contingency fund. It had focused essentially on growth and priorities. In the discussion of growth, a number of delegations had stressed the need to have a zero-growth budget while others had emphasized that the concept of zero real growth had not been endorsed by the General Assembly. CPC noted that, compared with the projected revised estimates for the biennium 1992-1993, growth was calculated at 0.2 per cent. It also noted that the rate of growth could change, subject to a number of quite detailed provisions contained in the report's conclusions and recommendations (A/47/16, part II, paras. 220 and 224). It also noted that under the current methodology the rate of real growth would be higher. With regard to priorities, CPC had agreed to recommend that the additional priorities proposed by the Secretary-General (A/47/358, paras. 10-12) should be noted and considered further in the light of the overall priorities reflecting broad trends, as well as the views expressed by Member States on them (A/47/16, part II, para. 223).

6. CPC had felt that future programme budget outlines should provide more information on the programmatic assumptions underlying the proposals. With regard to the new methodology proposed by the Secretary-General, the Committee would like further clarification from the Secretariat and a further examination by the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee (paras. 217-228).

7. CPC had taken note of the revised estimates for the programme budget for the biennium 1992-1993 (A/C.5/47/2) and recommended that the General Assembly should endorse the proposed reduction in the number of high-level posts. The document appeared to take a mainly financial approach to restructuring, however, and CPC had regretted the lack of information on the programmatic aspects of the revised estimates and the restructuring process. It had recommended that such information should be provided to the General Assembly, and it would no doubt be presented at the current session. CPC had confirmed that the Secretary-General should continue with the restructuring exercise (part II, paras. 261, 262, 264 and 267). It had expressed the view that the Secretary-General's request for greater flexibility in vacancy management

(Mr. Spaans, Netherlands)

should be seen particularly in the light of the need for transparency in such a flexible system (part II, para. 263). It had expressed disappointment about the lack of substance in the report regarding procedures and norms for the creation and suppression of posts. It had endorsed the proposals of the Secretary-General concerning the 13 posts in UNCTAD (A/C.5/47/7).

8. CPC had had before it the prototype of a new budget format (A/C.5/47/3), in response to its recommendation that the United Nations budget should be restructured in order to make it more transparent and transform it into a policy document. It recommended that the General Assembly should approve the prototype. In that connection, he drew the Fifth Committee's attention to the recommendations concerning the need for simplicity and readability in the new document, the need to improve the quality of the narrative and the need to rationalize the financial tables (part II, paras. 239-247).

9. In its resolutions 46/185 and 46/189, the General Assembly had adopted the recommendation of CPC at its thirty-first session on establishing a system of responsibility and accountability of programme managers of the United Nations. At its thirty-second session, CPC had again emphasized that important issue. The Under-Secretary-General for Administration and Management had referred briefly to the accountability issue in his introductory statement to the Fifth Committee, but it appeared that the Secretariat had not yet established such a system. The issue had again come up when CPC considered a 1988 report of the Joint Inspection Unit on the issue of responsibility and accountability. CPC expressed concern that very little improvement had been made over the years in providing Member States with analytical reports on programme performance. It had again recommended that objectives should be much more clearly formulated, thus allowing for a better assessment of the implementation of programmes (A/47/16, part I, paras. 37-44).

10. With regard to future joint meetings of CPC and the Administrative Committee on Coordination, CPC had proposed that the twenty-seventh series of joint meetings should be held in the spring of 1993, to discuss the follow-up by the United Nations system to the United Nations Conference on Environment and Development (A/47/16, part I, paras. 167-170 and part II, paras. 269-274).

11. The debate within CPC and the dialogue with the Secretariat had shown that CPC was still in the process of trying to define how Member States could assess the way in which the United Nations carried out the priorities, policies and programmes decided on by the General Assembly. There had been improvements over the years in refining the tools of programme planning, monitoring and evaluation. The question remained whether those refinements were relevant to the real life of the Organization. It was still difficult for Member States to assess the impact of the actual implementation of United Nations programmes and programme budgets. It was still equally difficult to ensure sufficient coordination and cohesion in the United Nations system. It should also be acknowledged that at times it was difficult for the Secretariat to grasp precisely what Member States wanted. If the recommendations of CPC

(Mr. Spaans, Netherlands)

at its thirty-second session were compared with those made at previous sessions, progress over the years would seem to have been limited. That might perhaps be seen as proof at least of consistency, a consistency based on a cautious appraisal by Member States of what was perceived as politically acceptable. He hoped that the businesslike approach of delegations during the thirty-second session of CPC, and their efforts to formulate unambiguous recommendations, would help the General Assembly in its efforts to understand and improve coordination and programme planning.

12. Mr. BAUDOT (Acting Controller) said that a number of documents submitted to the forty-sixth session of the General Assembly had not received full consideration for lack of time. Documents A/46/545, A/46/633 and A/C.5/46/CRP.1 were accordingly resubmitted for consideration at the current session, under item 103. He noted that the revised estimates requested by the General Assembly, which would be discussed under agenda items 105 and 106, also had a bearing on item 103. The Secretariat attached particular importance to consideration of the note by the Secretariat on work-load analysis techniques (A/C.5/46/CRP.1). It was indicated in the report of CPC (A/47/16, parts I and II) that it would in future be possible for progress reports on the implementation of General Assembly resolution 41/213 to be considered at the same time as the reports on restructuring. The Committee would probably have before it at the current session reports by the Secretary-General on other aspects of restructuring, submitted in the framework of the search for administrative efficiency. The note by the Secretariat on the review of the efficiency of the administrative and financial functioning of the United Nations (A/C.5/47/16) did not refer to the proposed programme budget outline for the biennium 1994-1995 because the Fifth Committee would consider the outline only after the Advisory Committee had reported on it.

13. Under item 104, concerning the programme budget for the biennium 1992-1993, the Committee had before it the revised estimates as requested by the General Assembly in resolutions 46/185 and 46/232 (A/C.5/47/2). The purpose of the document was not to explain the whole of the restructuring carried out by the Secretary-General but rather to express the first phase of that restructuring in budgetary terms, in the form of proposals for the transfer of resources between sections of the budget and for the creation of new sections following the consolidation of Secretariat departments. The General Assembly and the Fifth Committee would be able to approve those transfers and at the same time comment on the distribution of resources between the various sections as a result of the restructuring. He noted that the document related only to departments and offices at New York. It was, of course, the Secretary-General's intention to extend the process to departments outside New York, and he would most probably present a broad outline of the second phase of the restructuring to the current session.

14. The document began with a brief explanation of the departments concerned. CPC noted in its report that the General Assembly had requested

(Mr. Baudot)

the Secretary-General to present an account of the programmatic and organizational aspects of his restructuring exercise. It went on to note that the document submitted was brief on the programmatic aspects of the revised estimates and the restructuring process. The Secretariat had explained to CPC that the document said very little about the programmatic aspects because the whole raison d'être of the restructuring was the improved implementation of existing mandates. Further information would be provided to the Fifth Committee, including a detailed explanation of the structure and functions of the new departments, in the form of a conference room paper.

15. A second aspect of the document on the revised estimates concerned the treatment of vacancies. That exercise could be summarized as a search for greater flexibility in the use of Secretariat resources. There was no question of asking the General Assembly to amend the existing regulations on the transfer of resources between sections of the budget, as the Advisory Committee and CPC had already been informed. The problem was how greater use could be made of the existing regulations which already allowed the Secretariat to ask the Advisory Committee, when the General Assembly was not in session, for authorization to transfer resources between sections of the budget. The attention of Member State was drawn to that point because the Secretariat wanted the fullest possible dialogue with them on a method for treating vacancies which, without implying any transfer of resources between sections, would allow the Secretary-General to respond better to emergencies and take account of changing priorities at the level of daily management - not, of course, in the major priorities set by the Assembly.

16. What was wanted was a centralized treatment of posts that became vacant in the course of a budget period so that decisions on their temporary use could be made rationally. The internal machinery for such temporary use already existed within the Secretariat itself. The point to be emphasized was that, once the Secretary-General decided that those temporary assignments in fact constituted transfers between sections, the normal procedure for seeking authorization to make such transfers would be used. It was very likely that before the end of the session some transfers of that kind would be proposed.

17. The document indicated that, during the first phase of the restructuring, 74 posts had been identified as vacant. Nine of those posts had been redeployed immediately, as stated in the document. That had left 65, 30 of which had now been temporarily redeployed. Twelve posts had gone to the Centre for Human Rights, six to the Department of Political Affairs, four to the Executive Office of the Secretary-General, two to the Department of Peace-keeping Operations, and two to the Department of Humanitarian Affairs. Four posts had been returned to their original departments. The situation was evolving very rapidly and the Secretary-General would keep Member States abreast of matters in the course of the session.

18. The Committee's attention was drawn to that aspect because the Secretariat desired not simply transparency in the way in which resources

were used but a full and frank dialogue with the Committee. It was important that the Committee should discuss the policy that lay behind decisions to use the existing machinery.

19. Also connected with agenda item 104 was the Secretary-General's report on 13 posts in UNCTAD (A/C.5/47/7). The Secretary-General's proposal to extend the 13 posts on a temporary basis would permit the management of human resources through redeployment, thus illustrating the policy of flexibility in regard to vacant posts. Four other notes by the Secretary-General would be circulated in the next few weeks, in the context of the revised estimates, relating to ESCAP, ECA, ESCWA and the programme on crime prevention. The Committee should note, when considering the budget outline that the Secretariat's assumption regarding the estimates for the biennium 1994-1995 was that requests for the creation of posts in certain fields could be accommodated through redeployment within the Secretariat. That would, of course, depend on the decisions taken at the current session on the follow-up to the United Nations Conference on Environment and Development and other matters, which might require supplementary resources for 1993.

20. In connection with agenda item 105, the recommendations of CPC were of extreme importance. In response to the view expressed by the Chairman of CPC that the plan had become an instrument by means of which each programme manager sought to justify his area of activity, it should be noted that the Secretariat was well aware of the need for radical revision of that instrument and welcomed the proposal to study a possible new format. It agreed that problems arising with respect to the plan's content, method of preparation and revisions should be settled at the earliest opportunity in order to make it a more useful tool. Most important, it was convinced that no action could be taken concerning the programme budget, revised estimates or greater flexibility in the use of resources without guidance in the form of a policy document adopted by the General Assembly, whether called a plan or otherwise. The problem whereby different sections were not the subject of a systematic revision still remained unsolved and must receive further consideration. It was his hope, therefore, that the Fifth Committee would, in its consideration of programme planning, both carefully review current methods and procedures but also reaffirm the major importance of producing a document for policy guidance.

21. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that he would restrict his comments to the revised estimates as requested by the General Assembly in resolutions 46/185 and 46/232.

22. Paragraphs 1 to 12 of the Advisory Committee's report (A/47/7/Add.1) briefly recapitulated the main features of the related report of the Secretary-General (A/C.5/47/2 and Corr.1), as well as additional information given orally and in writing by representatives of the Secretary-General, while the observations of the Advisory Committee were contained in paragraphs 13 to 24. The format and nature of the information in the Secretary-General's

(Mr. Msalla)

report had made it difficult for the Advisory Committee fully to analyse and appreciate the various proposals and recommendations, and the Secretariat's case would have been considerably strengthened if budgetary information had been presented in the context of related programmes. Programmatic information would have increased the confidence of Member States in the assertion that the programme of activities had not been directly affected by restructuring. Since the provision of such information was consistent with paragraph 5 of General Assembly resolution 46/232, it would seem imperative that such details should be provided in future reports on restructuring.

23. Further clarification was also required of the structures and functions of new departments, as well as of the reasons for transfers of posts and resources among various budget sections and departments. The relationships between particular sections and departments must be clarified because it had always been the practice of the General Assembly to appropriate funds by section rather than department.

24. The Advisory Committee had engaged in lengthy discussions with representatives of the Secretary-General concerning his proposal for the treatment of vacant posts, redeployment and increased flexibility in the use of human resources, and its observations in that regard were set forth in paragraphs 18 to 23 of its report. It remained unclear from such discussions whether the Secretariat was requesting additional flexibility or whether the proposals before the General Assembly were intended to ensure more effective use of the current procedure governing the transfers of human and other resources between sections after appropriation of the necessary funds by the General Assembly. As noted in paragraph 19 of the Advisory Committee's report, representatives of the Secretary-General had stated that no change was proposed to regulation 4.5 and rule 104.4 of the Financial Regulations and Rules of the United Nations. In view of the uncertainty underlying the proposals contained in the Secretary-General's report, it was not possible for the Advisory Committee to submit definitive recommendations to the General Assembly regarding the proposed new departments and sections and the question of flexibility. In paragraph 24 of its report, the Advisory Committee indicated that it intended to revert to that matter in the context of the further report to be submitted by the Secretary-General on additional proposals for restructuring. It had also requested additional information, as noted in that same paragraph.

25. The Advisory Committee's position with respect to the savings resulting from the reduction of high-level posts recommended by CPC was contained in paragraph 16 of its report. In paragraphs 25 to 28, it commented on the proposal to extend 13 posts under section 15, entailing financial implications of $1,311,000. The Advisory Committee had no objection to the proposed course of action, subject to the conditions stated in paragraph 28.

26. Mr. PERKINS (United States of America) endorsed the Secretary-General's hope that the United Nations, programmes and organizational structures would

(Mr. Perkins, United States)

undergo fundamental reform by the time of its fiftieth anniversary. His delegation welcomed the initial phase of United Nations restructuring and strongly supported the revised budget estimates for 1992-1993 proposed by the Secretary-General. However, it also believed that additional high-level posts in New York, and especially outside New York, should be reviewed and abolished or downgraded. The reform exercise should address the fragmentation of organizational structures within each department, which impeded decision-making and prevented the Organization from shifting resources to meet new priorities: a regrouping of smaller units into larger ones would facilitate the more effective management of resources. Staffing changes were also required in the Director, Professional and General Service categories, including substantial reductions in clerical staff as a result of the significant investments already made in modern office technologies. His delegation encouraged the Secretary-General to develop modalities for the redeployment of vacant posts.

27. Structural changes alone would not serve their purpose without a radical reform of programmes. The Organization's programme planning process, particularly the medium-term plan, was cumbersome and ineffective in responding to changing needs and circumstances. Publications and the servicing of intergovernmental bodies, which consumed an excessive proportion of the United Nations resources, should be streamlined or, when the activities involved were only marginally useful, eliminated. The Secretary-General could take immediate action in respect of any such activities not specifically mandated by intergovernmental bodies. The failure to restructure programmes was especially evident in the area of economic and social affairs, where many of the functions of the newly created Department of Economic and Social Development were either duplicative or not useful. Such functions should be reassigned or eliminated. His delegation looked forward to seeing the rationalization of that and other departments under the second stage of the restructuring process and, in that respect, commended the Secretary-General for his appointment of a high-level advisory committee to assist him in that task.

28. In order to ensure the optimum deployment of resources throughout the United Nations system, new relationships must be established between and among the Organization's various programmes and agencies, particularly through reform of the Administrative Committee on Coordination. His delegation looked forward to receiving the Secretary-General's study of the functioning of that Committee.

29. The most critical area requiring reform in the economic, social and related areas was the intergovernmental process. No single body was currently responsible for ensuring uniformity in the governance and coordination of development assistance among United Nations operational agencies. That function could be performed by the Economic and Social Council, with small executive committees taking responsibility for the operational governance of each programme between the Council's sessions. With regard to field

(Mr. Perkins, United States)

representation, his delegation agreed with the Secretary-General that a unifed presence at the country level would enhance the Organization's impact, facilitate inter-agency coordination and produce substantial savings.

30. The established mechanisms for ensuring the effective use of United Nations resources were inadequate: the resources allocated to internal auditing, in particular, were insufficient to prevent corruption, waste, fraud and mismanagement. Other mechanisms for programme and financial review - the Board of Auditors, the Joint Inspection Unit, the Advisory Committee on Administrative and Budgetary Questions and the Committee for Programme and Coordination - must be improved to meet the challenges of the new international order. Given the very substantial increases in resources made available to the United Nations in recent years, it was imperative that new mechanisms and procedures be established to safeguard physical and financial assets and to ensure the most cost-effective implementation of programmes.

31. Periodic changes, after a maximum of two terms, should be made in the leadership of agencies and expert bodies in order to ensure an infusion of innovative ideas and approaches and to serve as a check against entrenched interests in United Nations bureaucracies. Such changes should make agencies and expert committees more responsive to the views of governing bodies, while career international civil servants provided the necessary continuity: independence in leadership positions would thus be combined with the technical support of career staff.

32. In general, his delegation believed that the Secretary-General's proposed revision of budget methodology improved the transparency of the budget process. It would present detailed comments on the technical aspects of the revisions during the Fifth Committee's deliberations on the budget outline. In accordance with its recommendation at the resumed session of CPC, his delegation believed that the provision for staff assessment should be deleted from the budget in favour of bilateral tax reimbursement agreements, in order to obviate inflation of the overall expenditure level by some $400 million. Noting the request by CPC that the Secretariat provide the Fifth Committee with background information for the discussion of that issue, he formally requested an indication of the date on which such information would be forthcoming. He also requested that the Chairman of the Committee allocate sufficient time for thorough discussion of and action on that important matter.

33. The reform process should also emphasize the need for greater accountability of Secretariat officials who managed programmes and resources. Strict performance standards should be set for high-ranking Professional staff, and career advancement should be based on an objective assessment of the performance of individual programme managers, with those who failed to meet established standards being disciplined and, if necessary, dismissed. Procedures and mechanisms to ensure proper management of resources were also required. The Secretariat had not taken seriously its responsibility to ensure the implementation of audit recommendations, nor did there appear to be

(Mr. Perkins, United States)

adequate mechanisms to investigate and deal with instances of waste, fraud, abuse and corruption in a prompt and appropriate manner. Further reform measures must address that critical problem, with the establishment of a strict code of ethics and effective, timely and non-discriminatory disciplinary procedures.

34. The current situation provided an important but brief opportunity to bring the structure and programme of work of the United Nations into line with the new challenges facing the international community. That opportunity must be used to eliminate marginally useful units and activities, in order to release the resources required for priority areas, such as human rights and urgent new operations, as well as to relieve Member States from the burden of increasing assessed contributions. His delegation hoped to see further reform proposals from the Secretary-General at an early stage of the current session, in order that decisions on them could be reflected in the budget outline for 1994-1995.

The meeting rose at 4.50 p.m.